

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Katy Allen  
Larry D. Lisenbee

**SUBJECT:** SEE BELOW

**DATE:** 04-27-05

Approved



Date

5/5/05

Council District: 5  
SNI: Mayfair

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE STREET LIGHTS SNI MAYFAIR PHASE 2 PROJECT AND ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS IN THE SERVICES FOR REDEVELOPMENT CAPITAL PROJECTS FUND (CITY-SIDE REDEVELOPMENT FUND) IN THE AMOUNT OF \$226,600.**

## RECOMMENDATION

- a. Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Fund):
  1. Increase the appropriation to the Department of Public Works for the Mayfair Streetlights Project (PSM 359#3) by \$226,600.
  2. Increase the estimate for Earned Revenue by \$226,600.
- b. Report on bids and award of contract for the Street Lights SNI Mayfair Phase 2 Project to the low bidder, Pacific Electric Company, in the amount of \$162,577.50, and approval of a contingency in the amount of \$16,250.

CEQA: Exempt, PP01-02-023.

## BACKGROUND

The Street Lights SNI Mayfair Phase 2 Project involves the installation of new street lights and the upgrade of existing lights in the Mayfair Strong Neighborhood Area. The project addresses the Top Ten Neighborhood Priorities, Item #4 for the neighborhood. The locations in the Mayfair Strong Neighborhood Initiative area were defined and prioritized by the Parks,

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Recreation and Neighborhood Services Department staff and neighborhood residents. The locations of these street lights improvements are shown on location map in Attachment 1. This project completes the street lighting improvements identified in the Mayfair neighborhood.

The project provides 50 new street lights and 6 upgrades of existing street lights in the Mayfair area.

Construction is scheduled to begin in July 2005 with completion in December 2005.

### **ANALYSIS**

Bids were opened on April 14, 2005 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
Brown and Fesler, Inc. (Livermore)	\$214,833.00	\$10,183.00	5
<b>Engineer's Estimate</b>	<b>204,650.00</b>	---	-
Prism Engineering, Inc. (Santa Clara)	191,399.00	(13,251.00)	(7)
Tennyson Electric, Inc. (Livermore)	187,182.00	(17,468.00)	(9)
San Jose Signal Electric Construction, Inc. (San José)	172,168.00	(32,482.00)	(16)
Pacific Electric Company (San José)	162,577.50	(42,072.50)	(21)

The low bid submitted by Pacific Electric Company is 21 percent below the Engineer's Estimate. The lower bid can be attributed to the highly competitive market that now exists.

Funding for the design and the bid and award phase of this project in the amount of \$55,819 was transferred in November 2004 from the Redevelopment Agency. This memorandum recommends funding from the Redevelopment Agency of \$226,600 for the construction of this project.

Council Policy provides for a standard contingency of ten percent on Public Works projects involving street lighting. The standard contingency is appropriate for this project.

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## **OUTCOME**

Award of the construction contract to Pacific Electric Company will enable the Street Lights SNI Mayfair Phase 2 Project to proceed. Approval of the ten-percent contingency will allow funding for unforeseen conditions encountered during construction of the project. Adoption of the appropriation ordinance and funding sources resolution will provide additional funding needed to construct this project.

## **PUBLIC OUTREACH**

Lighting improvements have been identified as a priority for the Mayfair Improvement Initiative. The Initiative participated in an extensive community process to identify and prioritize projects to help revitalize their neighborhoods. Lighting, both upgrades to existing lighting and new streetlights, was included in the SNI area's "top ten" priority list and funding was secured.

To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

## **COORDINATION**

This project and memorandum were coordinated with the Strong Neighborhoods Initiative, the San José Redevelopment Agency, the Departments of Parks, Recreation and Neighborhood Services, Transportation, Finance, and Planning, Building and Code Enforcement, the City Attorney's Office and the Pacific Gas and Electric Company.

## **COST IMPLICATIONS**

1.	AMOUNT OF RECOMMENDATION:	\$162,577.50
2.	COST OF PROJECT	
	Project Delivery	\$ 88,041.50
	Construction	162,577.50
	PG&E Services	15,550.00
	Contingency	<u>16,250.00</u>
	<b>TOTAL PROJECT COSTS</b>	<b>\$ 282,419.00</b>
	Prior Year Expenditures	0.00

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**REMAINING PROJECT COSTS****\$ 282,419.00**

3. SOURCE OF FUNDING: 450 – City Revenue Fund
4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. Minor General Fund operating and maintenance costs will be generated by this project in the amount of approximately \$5,600 a year, beginning in fiscal year 2006-2007.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>				<b>\$282,419</b>			
<b>Current Funding Available</b>							
450	4917	Mayfair Streetlights Project	134143	<b>\$55,819</b>			12/14/04, Ord. No. 27312
<b>Total Current Funding Available</b>				<b>\$55,819</b>			
<b>Additional Funding Recommended</b>							
450	4917	Mayfair Streetlights Project*	134145	<b>\$226,600</b>	<b>\$162,577.50</b>		
<b>Total Funding for Remaining Project Costs</b>				<b>\$282,419</b>	<b>\$162,577.50</b>		

\* Included in this memorandum are the recommended appropriation actions to transfer funds from the Redevelopment Agency for the Street Lights SNI Mayfair Phase 2 Project in the amount of \$226,600.

HONORABLE MAYOR AND CITY COUNCIL

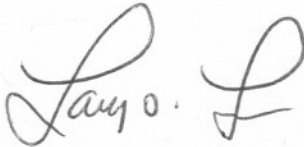
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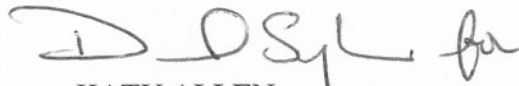
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**CEQA**

Exempt, PP01-02-023.



LARRY D. LISENBEE  
Budget Director



KATY ALLEN  
Director, Public Works Department

I hereby certify that there will be available for appropriation in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Capital Fund) in the Fiscal Year 2004-2005 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$226,600.



LARRY D. LISENBEE  
Budget Director

HF:PH:ew  
(jl042005CMMayfairPhase2.doc/Elec)  
Attachment

1 PRUDENCE WY  
2 CHARITY CT

THUNDERBIRD GOLF COURSE

1 CASTLECREST DR  
2 PRINCE GEORGE DR  
3 CASTLEBRIDGE DR  
4 CASTLEBURY DR

SAN ANTONIO ELEMENTARY SCHOOL

MAYFAIR PARK

MATHSON LEE MIDDLE SCHOOL

MAYFAIR ELEM SCHOOL

CASTLECREST DR  
PRINCE GEORGE DR  
CASTLEBRIDGE DR  
CASTLEBURY DR

**PROJECT  
LOCATION  
(TYPICAL)**